



State of Utah

Department of Natural Resources

ROBERT L. MORGAN
Executive Director

Division of Oil, Gas & Mining

MARY ANN WRIGHT
Acting Division Director

OLENE S. WALKER
Governor

GAYLE F. McKEACHNIE
Lieutenant Governor

December 13, 2004

Virgil Anderson
Anderson Engineering Company, Inc.
977 West 2100 South
Salt Lake City, Utah 84119

Subject: Notice of File Closure and Release of Reclamation Surety, Anderson Engineering Company, Inc., Keystone Ridge/Mammoth Mine, S/023/085, Juab County, Utah

Dear Mr. Anderson:

On October 5, 2004, we received your request that we release Anderson Engineering from any further reclamation obligation at the Keystone Ridge/Mammoth Mine. A site inspection was subsequently made October 14, 2004, wherein it was determined that the site could be closed (inspection memo enclosed). On December 8, 2004, the Acting Division Director agreed with the Division's recommendation and a letter was sent to Zions First National Bank (copy also enclosed) authorizing them to release the \$5,000 Certificate of Deposit back to you for this site. The Division hereby officially releases Anderson Engineering Company, Inc. from any further mining or reclamation responsibilities at the Keystone Ridge/Mammoth Mine.

Thank you for completing the reclamation at this site to allow successful release. As always, it is a pleasure working with you and your company. Please call if you have any questions or concerns regarding this letter.

Sincerely,

Daron R. Haddock
Permitting Supervisor
Minerals Regulatory Program

DRH:jb

Enclosure: Inspection memo & Zions release letter

O:\M023-Juab\S0230085-keystone-mammoth\final\release-12132004.doc



State of Utah

Department of
Natural Resources

ROBERT L. MORGAN
Executive Director

Division of
Oil, Gas & Mining

MARY ANN WRIGHT
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December 8, 2004

TO: Mary Ann Wright, Acting Director *mm*

THRU: Mark Mesch, Acting Associate Director *mm*

THRU: Daron R. Haddock, Permit Supervisor *TH for DA*

FROM: Lynn Kunzler, Senior Reclamation Biologist *LK*

SUBJECT: Request for Release of Reclamation Surety, Anderson Engineering Company, Keystone Ridge/Mammoth Mine, S/023/085, Juab County, Utah

On October 5, 2004, the Division received a request from Anderson Engineering Company to release this site and grant full release of their reclamation surety. On October 14, 2004, I performed a site inspection to verify if the site could be released (inspection memo attached). I found that the site which initially disturbed less than 0.25 acre was satisfactorily reclaimed, and vegetation is becoming well established. The site is located on private lands, so no other agency was involved with this project.

The operator has a \$5,000 Certificate of Deposit issued by Zions Bank as reclamation surety for this site. If you are in agreement with fully releasing Anderson Engineering from further reclamation requirements, please sign the attached letter to Zions bank authorizing them to release the reclamation surety. We will then send a letter releasing the operator from any further obligation of the site.

Thank you for your consideration of this request.

LMK:jb

Attachment: inspection memo, surety release letter

O:\M023-Juab\S0230085-keystone-mammoth\final\Dir-sign-release-12082004.doc

File Number 5/023/085

Effective Date Nov 3, 2003

Other Agency File Number _____

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION of OIL, GAS and MINING
1594 West North Temple Suite 1210
Box 145801
Salt Lake City, Utah 84114-5801
(801) 538-5291
Fax: (801) 359-3940

*Released
12-13-04*

RECEIVED

OCT 31 2003

RECLAMATION CONTRACT

DIV OF OIL GAS & MINING

---00000---

For the purpose of this RECLAMATION CONTRACT the terms below are defined as follows:

"NOTICE OF INTENTION" (NOI): (File No.)
(Mineral Mined)

5-023-085
LIMESTONE, QUARTZITE

"MINE LOCATION":
(Name of Mine)
(Description)

KEYSTONE RIDGE QUARRY
APPRX. 4200 FT. NORTH OF HIGHWAY 6
AND DIRECTLY WEST OF EUREKA

MAMMOTH QUARRY APPRX 2600
FEET WEST AND 300 FEET SOUTH
OF MAMMOTH

"DISTURBED AREA":
(Disturbed Acres)
(Legal Description)

1 ACRE
(refer to Attachment "A")

"OPERATOR":
(Company or Name)
(Address)

ANDERSON ENGINEERING CO
977 WEST 2100 SO.
SALT LAKE CITY, UT 84119

(Phone)

(801) 972-6222

"OPERATOR'S REGISTERED AGENT":

Name)

(Address)

(Phone)

STEVEN D. ANDERSON
977 W. 2100 S
SALT LAKE CITY UT.
801 972-6222

"OPERATOR'S OFFICER(S)":

STEVEN D. ANDERSON PRES
VIRGIL B. ANDERSON VP.
JEANNE ANDERSON SEC.

SURETY":

(Form of Surety - Attachment B)

CERTIFICATE OF DEPOSIT
ZIONS BANK

"SURETY COMPANY":

(Name, Policy or Acct. No.)

ZIONS BANK

"SURETY AMOUNT":

(Escalated Dollars)

\$5,000⁰⁰

"ESCALATION YEAR":

2004

"STATE":

State of Utah

"DIVISION":

Division of Oil, Gas and Mining

"BOARD":

Board of Oil, Gas and Mining

ATTACHMENTS:

A "DISTURBED AREA":

B "SURETY":

This Reclamation Contract (hereinafter referred to as "Contract") is entered into between ANDERSON ENGINEERING CO. the "Operator" and the Utah State Division of Oil, Gas and Mining ("Division").

WHEREAS, Operator desires to conduct mining operations under Notice of Intention (NOI) File No. S-023-085 which has been approved/accepted by the Utah State Division of Oil, Gas and Mining under the Utah Mined Land Reclamation Act, Sections 40-8-1 et seq., Utah Code Annotated, (1953, as amended) (hereinafter referred to as "Act") and implementing rules; and

WHEREAS, Operator is obligated to reclaim that area described as the Disturbed Area as set forth and in accordance with Operator's approved/accepted Reclamation Plan or Notice, and Operator is obligated to provide surety in form and amount approved by the Division, to assure reclamation of the Disturbed Area.

NOW, THEREFORE, the Division and the Operator agree as follows:

1. Operator agrees to conduct reclamation of the Disturbed Area in accordance with the Act and implementing regulations, the approved/accepted Notice of Intention and Reclamation Plan or Notice received 9-5-03. The Notice of Intention and the Reclamation Plan, as amended, are incorporated by this reference and made a part hereof.
2. Concurrent with the execution hereof, Operator has provided surety to assure that reclamation is conducted, in form and amount acceptable to the Division. Such surety as evidenced by the Surety Contract is in the form of the surety attached hereto as Attachment B and made a part hereof. The Surety Contract shall remain in full force and effect according to its terms unless modified by the Division in writing. If the Surety Contract expressly provides for cancellation, then, within 60 days following the Division's receipt of notice that the Surety Company intends to cancel the Surety Contract, the Operator shall provide a replacement Surety Contract in a form and amount reasonably acceptable to the Division. If the Operator fails to provide an acceptable replacement Surety Contract, the Division may order the Operator to cease further mining activities and to begin immediate reclamation of the Disturbed Area.
3. Operator agrees to pay legally determined public liability and property damage claims resulting from mining to the extent provided in Section 40-8-7(1)(e) of the Act.
4. Operator agrees to perform all duties and fulfill all reclamation requirements applicable to the mine as required by the Act and implementing rules, the Notice of Intention, as amended and the Reclamation Plan, as amended.
5. The Operator's liability under this Contract shall continue in full force and effect until the Division certifies that the Operator has reclaimed the Disturbed Area in accordance with the Act and implementing rules, the Notice of Intention, as amended and the Reclamation Plan, as amended.
6. If reclamation of discrete sections of the Disturbed Area is completed to the satisfaction of the Division, and the Division finds that such sections are severable from the remainder of the Disturbed Area, Operator may request the Division to certify that Operator has reclaimed such discrete sections of the Disturbed Area in accordance with the Act and Implementing rules, the Notice of Intention, as amended and the Reclamation Plan, as amended. If the Division makes such certification, Operator may make request to the Division that the aggregate face

amount of the Surety Contract provided pursuant to paragraph 2 be reduced to an amount necessary to provide for completion of the remaining reclamation. The Division shall hear Operator's request for such reduction in accordance with the Board's Procedural Rules concerning requests for Agency Action.

7. Operator agrees to indemnify and hold harmless the State, Board and the Division from any claim, demand, liability, cost, charge, suit, or obligation of whatsoever nature arising from the failure of Operator or Operator's agents and employees, or contractors to comply with this Contract.
8. Operator may, at any time, submit a request to the Division to substitute surety. The Division may approve such substitution if the substitute surety meets the requirements of the Act and the implementing rules.
9. This Contract shall be governed and construed in accordance with the laws of the State of Utah.
10. If Operator shall default in the performance of its obligations hereunder, Operator agrees to pay all costs and expenses, including reasonable attorney's fees and costs incurred by the Division and/or the Board in the enforcement of this Contract.
11. Any breach that the Division finds to be material of the provisions of this Contract by Operator may, at the discretion of the Division, result in an order to cease mining operations. After opportunity for notice and hearing, the Board of Oil, Gas and Mining may enter an order to revoke the Notice of Intention, order reclamation, or order forfeiture of the Surety Contract, or take such other action as is authorized by law.
12. In the event of forfeiture of the Surety Contract, Operator shall be liable for any additional costs in excess of the surety amount which are required to comply with this Contract. Any excess monies resulting from forfeiture of the Surety Contract, upon completion of reclamation and compliance with this Contract, shall be returned to the rightful claimant.
13. This Contract including the Notice of Intention, as amended and the Reclamation Plan, as amended, represents the entire agreement of the parties involved, and any modification must be approved in writing by the parties involved.
14. Each signatory below represents that he/she is authorized to execute this Contract on behalf of the named party.

OPERATOR:

ANDERSON ENGINEERING CO
Operator Name

By VIRGIL B. ANDERSON
Authorized Officer (Typed or Printed)

PRINCIPLE V.P.
Authorized Officer - Position

Virgil B. Anderson 10-31-03
Officer's Signature Date

STATE OF Utah)
COUNTY OF Salt Lake) ss:

On the 31st day of October, 2003, Virgil B. Anderson personally appeared before me, who being by me duly sworn did say that he/she is the Principle VP of Anderson Engineering Co. and duly acknowledged that said instrument was signed on behalf of said company by authority of its bylaws or a resolution of its board of directors and said Virgil B. Anderson duly acknowledged to me that said company executed the same.

Joelle Burns
Notary Public
Residing at SLC UT



4-4-05
My Commission Expires:

DIVISION OF OIL, GAS AND MINING:

By Lowell P Braxton
Lowell P. Braxton, Director

11-3-03
Date

STATE OF Utah)
COUNTY OF Salt Lake) ss:

On the 3 day of November, 20 03, Lowell Braxton personally appeared before me, who being duly sworn did say that he, the said Lowell Braxton is the Director of the Division of Oil, Gas and Mining, Department of Natural Resources, State of Utah, and he duly acknowledged to me that he executed the foregoing document by authority of law on behalf of the State of Utah.

Julie Carter
Notary Public
Residing at: Salt Lake

H 4-26-2006
My Commission Expires:



ATTACHMENT "A"

ANDERSON ENGINEERING CO KEYSTONE RIDGE QUARRY
Operator MAMMOTH QUARRY
S-023-085 Juab County, Utah
Permit Number

LEGAL DESCRIPTION

Include 1/4, 1/4, 1/4 sections, townships, ranges and any other descriptions that will legally determine where disturbed lands are located. Attach a topographic map of suitable scale (max. 1 inch = 500 feet; 1 inch = 200 feet or larger scale is preferred) showing township, range and sections and a clear outline of the disturbed area boundaries tied to this Reclamation Contract and surety.

The detailed legal description of lands to be disturbed includes portions of the following lands not to exceed 1 ACRE acres under the approved / accepted permit and surety, as reflected on the attached map labeled KEYSTONE QUARRY MAMMOTH QUARRY and dated 10-30-03:

1. Project Location (legal description):

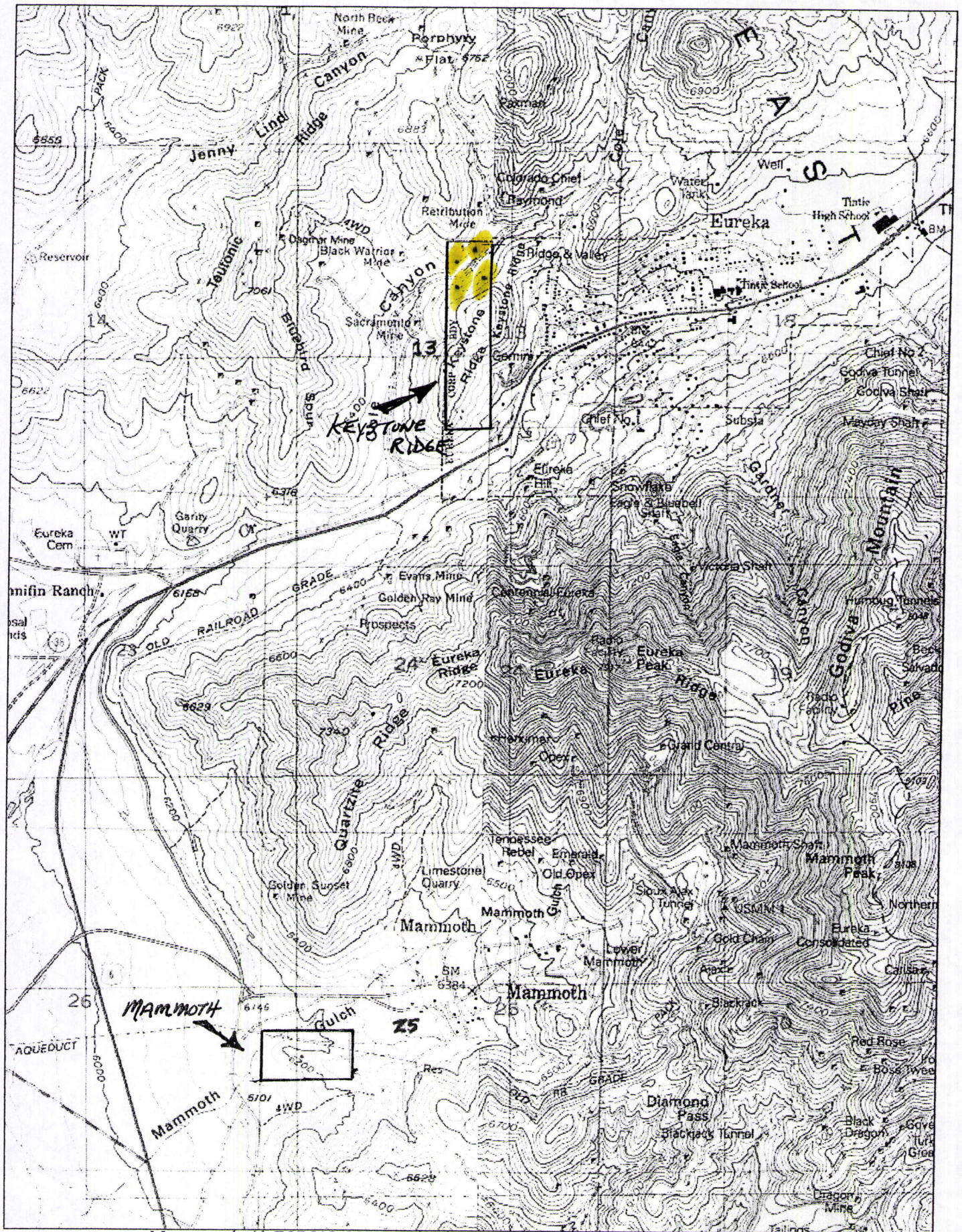
County(ies): Juab

<u>W</u> $\frac{1}{4}$ of <u>SW</u>	<u>1/4</u> of <u>NE</u>	1/4: Section: <u>13</u>	Township: <u>10S</u>	Range: <u>3W</u>
<u>W</u> $\frac{1}{4}$ of <u>NW</u>	<u>1/4</u> of <u>SE</u>	1/4: Section: <u>13</u>	Township: <u>10S</u>	Range: <u>3W</u>
<u>S</u> $\frac{1}{4}$ of <u>NW</u>	<u>1/4</u> of <u>SW</u>	1/4: Section: <u>25</u>	Township: <u>10S</u>	Range: <u>3W</u>

UTM East _____ (if known) UTM North _____ (If known)

Name of Quad Map for Location: EVARSA & TINTIC Junction

SEE ATTACHED MAP - AS OUTLINED IN YELLOW



Map created with TOPO!® ©2002 National Geographic (www.nationalgeographic.com topo)

KEYSTONE RIDGE QUARRY
MAMMOTH QUARRY

DTD 10-30-03

REVISED

Date: 09/22/2003

Ownership: ANDERSON ENGINEERING-FBO UTAH DIVISION OF OIL, GAS, AND MINING

PERMIT # S/023/085

Purchase Amount: \$5,000.00

Term: 12 ☒ Months ☐ Days

Interest Rate: 1.250% Annual Percentage Yield: 1.250% Maturity Date: 09/22/2004

Interest Payment Frequency: ☐ At Maturity ☐ Annually ☒ Quarterly ☐ Monthly

Interest Payment Method: ☒ Add to Deposit ☐ Issue Check ☐ Transfer to Account Number _____

Non- Renewable If Checked: ☐☐ Checking/MMDA ☐ Savings

Zions Bank Representative Signature: [Signature]

This confirmation is not negotiable. This confirmation is not transferrable except on the records of the Bank. The Certificate of Deposit is issued in accordance with Zions Bank's Deposit Agreement.

RECEIVED

NOV 10 2003 Savings

DIV. OF OIL, GAS & MINING

ZB 205-0020 9/02



State of Utah

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

Michael O. Leavitt
Governor

Robert L. Morgan
Executive Director

Lowell P. Braxton
Division Director

1594 West North Temple, Suite 1210
PO Box 145801
Salt Lake City, Utah 84114-5801
(801) 538-5340 telephone
(801) 359-3940 fax
(801) 538-7223 TTY
www.nr.utah.gov

September 24, 2003

*Released
12-13-04*

Zions First National Bank
2302 Washington Blvd.
3rd Floor – Commercial Loan Dept.
Ogden, Utah 84401

RECEIVED

SEP 30 2003

DIV OF OIL GAS & MINING

Attention: Robert J. Bischoff

Subject: Reclamation Surety, Certificate of Deposit for Keystone Ridge and Mammoth Quarries Mine Site, S/023/085, Juab County, Utah
Certificate of Deposit no. 9 Principal Amount \$5,000.00.

This letter describes the mutually agreed upon instructions of the below signed parties to Zions First National Bank (Bank), regarding the control, redemption, and release of Bank's above-described certificate of deposit (CD), which is being used as a surety to guarantee the availability of reclamation funds for the Keystone Ridge and Mammoth Quarries (Mine Site), Juab County, Utah. It is the intention of the parties that the CD be utilized as surety to guarantee that \$5,000.00 in reclamation funds will be available to the State of Utah, Division of Oil, Gas & Mining (Division) upon demand in the event that the operator(s) of the mine site are unable or unwilling to complete reclamation of the mine site in compliance with applicable state law and regulations.

Ownership and Renewal:

Ownership of the CD is retained by Anderson Engineering Company, Inc., a Utah corporation, (Owner), but it is held by Bank for the benefit of the State of Utah, Division of Oil, Gas & Mining and is subject to the terms and conditions described in this agreement. The CD shall automatically renew indefinitely until either redeemed or released by the Director of the Division.

Redemption:

The CD may only be redeemed (i.e., called on demand), pursuant to the written instruction or demand of the Director of the Utah Division of Oil, Gas & Mining to the Bank. Upon the instruction and demand of the Director, the full initial amount of the CD shall be transferred to the State of Utah, Division of Oil Gas and Mining. Owners agree and irrevocably instruct Bank that neither the Owner(s), nor any other person

claiming an ownership interest in the CD which is derived from the Owners, shall have the authority to prevent the Bank from carrying out the Director's instruction to redeem the CD. Upon redemption, any accrued interest in excess of the initial amount of the CD shall be transferred to Owners' control, or if Owners do not instruct the Bank, the accrued interest shall be reinvested in the CD. If a signature card is prepared, it shall be drafted consistent with the requirement that only the Director of the Division may redeem the CD.

Release:

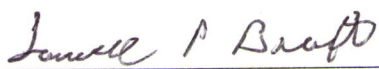
The bank shall release the CD only upon the written instruction of the Director of the Division to the Bank. Upon release, the terms and conditions of this agreement are no longer in effect, and the unconditioned control of the CD shall be returned to the Owners, or their legal successors-in-interest.

Accrued Interest:

Prior to release or redemption, all interest which accrues by the CD shall be 1) dispersed quarterly to the Owner(s) as the Owner(s) may instruct the Bank, or 2) shall be reinvested in the CD until such time as the Owner(s) may instruct the Bank where to transfer such interest. In no event shall the Bank transfer any amount from the CD, which would cause the redemption amount of the CD to be less than the initial amount of \$5,000.00. All tax liabilities for accrued interest shall remain the responsibility of the Owners.

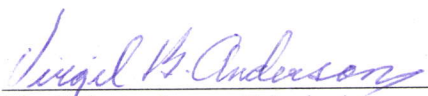
Bank will not be held liable for any dispute between the parties.

Agreed Upon By:



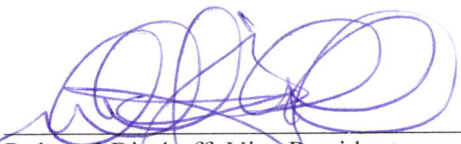
Lowell P. Braxton, Director
Utah Division of Oil, Gas & Mining

Date: 11-03-03



Virgil B. Anderson, Principal
Anderson Engineering Company, Inc.
Tax ID Number: _____

Date: 9-25-03



Robert J. Bischoff, Vice President
Zions First National Bank

Date: 9/26/03

ACCOUNT AGREEMENT AND SIGNATURE CARD

I/we, the undersigned authorized individual(s), agree to the terms and conditions of this account as contained in the Zions First National Bank (hereafter "Bank") Deposit Agreement, which has been received and is incorporated herein, as it may be amended, including but not limited to those concerning arbitration and venue.

CERTIFICATION - Under penalties of perjury, by my signature below on this signature card, I certify that:

1. The number shown on this form is my correct taxpayer identification number (TIN) (or I am waiting for a number to be issued to me), and
2. I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding, and
3. I am a U.S. person (including a U.S. resident alien).

Certification Instructions. You must cross out item "2" above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. The Internal Revenue Service does not require your consent to any provision on this document other than the certifications required to avoid backup withholding.

Account # 0469272769 Type CD Ownership Corporation

Title: ANDERSON ENGINEERING

Date: 09/22/03

This Account Agreement is agreed to by:

1. ANDERSON ENGINEERING TIN:	
2. Bill Streeper TIN:	
3. Robert Bischoff TIN:	
4. Kaylene Williams TIN:	
5. Release of funds requires: TIN:	
6. 1) Authorization from Director of the TIN: Utah Division of Oil, Gas, & Mining 2) Two bank officer signatures from above	

Opened by: Kiera Taylor

CORPORATE RESOLUTION

The undersigned corporate officer(s) of the corporation named on this account agreement certify that a meeting of the Corporation's Board of Directors was held in accordance with the state laws where it is incorporated and the following resolution was adopted. The Corporation is hereafter referred to as "Entity".

Secretary

and/or

President or Vice President
PRINCIPLE

09-25-03
Date

Resolution/Authorization

This Entity shall open an account with the Bank, and until this authority is revoked by written notification to the Bank of such action by those authorizing this action, the persons named and whose signatures appear on this account agreement are hereby authorized to sign checks, drafts, withdrawal orders, bills of exchange, and make telephone transfers from this account for and in behalf of this Entity. The Entity will provide a new Resolution and complete a new Account Agreement for any change in signers. The Bank shall be indemnified and held harmless from any loss suffered or any liability incurred by it in continuing to act in accordance with this authorization.

The Entity agrees that this account will be utilized according to applicable laws and the Deposit Agreement of the Bank. This account is subject to service fees as disclosed in the Bank's current fee schedule, now in effect or hereafter established. This resolution or authorization supersedes all prior authorizations, which are hereby canceled.

September 26, 2003

The State of Utah
Department of Natural Resources
Division of Oil, Gas & Mining
Attn: Joelle Burns
1594 West North Temple, Ste 1210
PO Box 145801
Salt Lake City, Utah 84114-5801

Re: Anderson Engineering - Certificate of Deposit Agreement

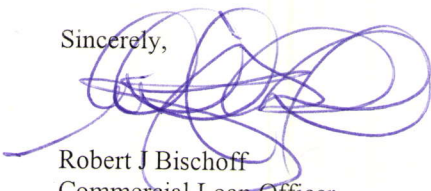
Dear Joelle:

Thank you for having the information available for my pick-up yesterday.

I have enclosed the original signed copy of the Certificate of Deposit Agreement, as well as a copy of the signature card and certificate of deposit receipt. I will need to receive back a copy of the fully executed document for my files. Please let me know if you need anything else.

I appreciate the opportunity to work with you on this Agreement.

Sincerely,



Robert J Bischoff
Commercial Loan Officer

cc: Virgil Anderson
Anderson Engineering Company, Inc.
975 West 21st South, Suite 100
Salt Lake City, Utah 84119-1505

Enclosures.

RECEIVED

SEP 30 2003

DIV. OF OIL, GAS & MINING



State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

1594 West North Temple, Suite 1210
PO Box 145801
Salt Lake City, Utah 84114-5801
(801) 538-5340 telephone
(801) 359-3940 fax
(801) 538-7223 TTY
www.nr.utah.gov

Michael O. Leavitt
Governor
Robert L. Morgan
Executive Director
Lowell P. Braxton
Division Director

November 3, 2003

TO: Lowell P. Braxton, Director *mon*
THRU: Mary Ann Wright, Associate Director
THRU: Wayne Hedberg, Permit Supervisor *W.H.*
FROM: Tom Munson, Senior Reclamation Hydrologist *TM*
RE: Request for Approval of Form and Amount of Reclamation Surety, Anderson Engineering Company, Keystone Ridge/Mammoth Quarry, S/023/085, Juab County, Utah

The Division finalized the review of Anderson Engineering's Keystone Ridge / Mammoth Quarry, located in Juab County, Utah. Because of the new bonding rules requiring all sites be bonded, Anderson Engineering is proposing to drill on no more than one acre of land. Therefore, on September 30, 2003, Anderson Engineering submitted a \$5,000 Certificate of Deposit # issued by Zions First National Bank, Ogden, Utah. On October 31, 2003, they submitted a Reclamation Contract that the surety will be directly tied to.

At the present time, the operator will only be drilling to see if the material is compatible for their needs. If found, they will continue to mine and extract the material for sale. If the project will go over one acre, they will need to submit an amended notice and update the reclamation bond accordingly.

If you are in agreement with the acceptance of the reclamation surety for this small mining project, please sign and date the documents. We will then issue final Division acceptance for the Keystone Ridge / Mammoth Quarry and send copies of the signed documents to them for their records. Thank you for your consideration of this request.

jb
Enclosure: MR-RC & CD
O:\M023-Juab\S0230085-keystone-mammoth\final\dir-signRC-11032003.doc

Approved LP Braxton
11-3-03